

**Devar Flooring Limited**  
**ABBREVIATED FINANCIAL STATEMENTS**  
for the year ended  
31 December 2002



INDEPENDENT AUDITORS' REPORT TO DEVAR FLOORING LIMITED PURSUANT  
TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of the company for the year ended 31 December 02 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of the directors and the auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

BAKER TILLY

Registered Auditors  
Chartered Accountants  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

11th May 2003

# Devar Flooring Limited

## BALANCE SHEET

31 December 2002

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>	<b>1</b>		
Tangible assets		<u>105,980</u>	<u>325,911</u>
<b>CURRENT ASSETS</b>			
Stocks		49,514	188,006
Debtors		650,233	536,468
Cash at bank and in hand		<u>437,049</u>	<u>43,243</u>
		1,136,796	767,717
CREDITORS amounts falling due within one year		<u>521,931</u>	<u>338,454</u>
NET CURRENT ASSETS		<u>614,865</u>	<u>429,263</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>720,845</u>	<u>755,174</u>
CREDITORS amounts falling due after more than one year		<u>43,177</u>	<u>22,472</u>
		<u>677,668</u>	<u>732,702</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	3	2	2
Other reserves		1,998	1,998
Profit and loss account		<u>675,668</u>	<u>730,702</u>
SHAREHOLDERS' FUNDS		<u>677,668</u>	<u>732,702</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 28 APR 2003 and are signed on their behalf by:

  
Alan Devine  
Director

# Devar Flooring Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

### TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced net of value added tax and after adjustments for opening and closing work in progress.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 2% straight line
Plant & Machinery	- 20% straight line
Fixtures & Fittings	- 15% - 20% straight line
Motor Vehicles	- 25% reducing balance

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

### HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

### FINANCE LEASE AGREEMENTS

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# Devar Flooring Limited

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 December 2002

### 1 FIXED ASSETS

	Tangible Assets £
Cost	
At 1 January 2002	520,573
Additions	136,394
Disposals	(457,589)
At 31 December 2002	<u>199,378</u>
Depreciation	
At 1 January 2002	194,662
Charge for year	27,105
On disposals	(128,369)
At 31 December 2002	<u>93,398</u>
Net book value	
At 31 December 2002	<u>105,980</u>
At 31 December 2001	<u>325,911</u>

### 2 RELATED PARTY TRANSACTIONS

The company's related party transactions during the year are summarised as follows:

RELATED PARTY	RELATIONSHIP	TRANSACTION	AMOUNT £	BALANCE DUE (TO)/FROM AT 31/12/02 £
S Devine	Directors' Brother	Property purchased	240,000	
		Loan written off	(262,970)	nil

### 3 SHARE CAPITAL

	2002 £	2001 £
Authorised:		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid:		
Ordinary share capital	<u>2</u>	<u>2</u>